

## **ECONOMIC DEVELOPMENT COMMITTEE**

**DATE:** September 27, 2006

**CALLED TO ORDER:** 5:05 p.m.

**ADJOURNED:** 6:22 p.m.

### **ATTENDANCE**

#### ATTENDING MEMBERS

Jackie Nytes, Chair  
Patrice Abdullah  
Lonnell Conley  
Marilyn Pfisterer  
Isaac Randolph

#### ABSENT MEMBERS

Virginia Cain  
Joanne Sanders

### **AGENDA**

Recent Studies on Employment Conditions – Joanne Joyce, Indianapolis Private Industry Council (IPIC)

Economic Development Planning – Jim Garrard, Mayor's Office

## **ECONOMIC DEVELOPMENT COMMITTEE**

The Economic Development Committee of the City-County Council met on Wednesday, September 27, 2006. Chair Jackie Nytes called the meeting to order at 5:05 p.m. with the following members present: Patrice Abdullah, Lonnell Conley, and Marilyn Pfisterer. Isaac Randolph arrived shortly thereafter. Virginia Cain and Joanne Sanders were absent.

Chair Nytes stated that the economic development planning presentation would be postponed to October 18, 2006 as Jim Garrard is with his wife, who went into labor today. She said that the Councillors wish to extend their congratulations to the family.

[Clerk's Note: Councillor Randolph arrived 5:10 p.m.]

Recent Studies on Employment Conditions – Joanne Joyce, Indianapolis Private Industry Council (IPIC)

Joanne Joyce, President and Chief Executive Officer (CEO) of IPIC, and Andy Zehner, Director of Research, distributed a copy of the PowerPoint presentation (Exhibit A). [Clerk's Note: Exhibit A is on file in the Council Office with the original minutes of this meeting.]

Ms. Joyce stated she recently returned from Washington, D.C. where she represented the Mayor on the U.S. Conference of Mayors, Workforce Development Council. At the conference, she and her colleagues were able to discuss issues with a congressional delegation that controls education and workforce development. Because of increased globalization it has been projected that today's children can expect a 40% decrease in their standard of living, which is worrisome for both children and current workers. The foundation for competing globally depends upon the development of talent in the workforce. IPIC is bridging the gap between employers, economic developers, and educators to ensure that people can be gainfully employed. In order to accomplish this, IPIC needs several things: correct data and research (i.e. what kind of education do people need) and knowledge (i.e. how to best provide skills training).

Ms. Joyce introduced Mr. Zehner, a labor economist that has been researching the data that IPIC needs to be effective. She said that, according to the Bureau of Labor Statistics, Marion County is doing better than the rest of the state and the country. 53% of the County's industries are in fast-growing sectors, including pharmaceutical manufacturing, transportation and logistics, educational services, and hospitals. However, Marion and the surrounding counties should be performing better in the slower-growing industries, such as truck transportation and logistics, vehicle parts manufacturing, and courier services. Although Indiana lost a lot of manufacturing jobs during the 2001 recession, 85% of the jobs that are still here are good, advanced manufacturing jobs. She defined advanced manufacturing as a plant that operates efficiently, quickly, and cost-effectively, not by their high-tech products.

Ms. Joyce stated that the unemployment rate in Indianapolis is about 5.5%, but when broken down, the rate is 10.7% for African-Americans and 6.6% for Latinos. According to the Federal Reserve, Brookings Institution and Forbes, Indianapolis is doing better than cities of comparable size in the rest of the country. In fact, the highest employment rate in

Indianapolis prior to the 2001 recession was 452,831 jobs, but in July 2006, Indianapolis exceeded that all-time high by almost 900 jobs at 453,730. Because people change their employment status often, companies change the size of their workforce, and companies constantly close and open, it is difficult to accurately gauge unemployment rates. The people most affected by changes in employment are the least educated and least skilled, because they are the first fired and last hired.

IPIC researched which industry groups, and specifically which positions, would experience significant job growth for at least the next five to ten years. They expect about 4,000 new jobs in manufacturing, 3,000 new jobs in motor sports, 9,500 new jobs in the life sciences, and 9,000 in transportation/logistics areas.

Ms. Joyce stated that IPIC is a place where employees and employers alike can go for help, advice, and training for the workforce and distributed a second handout (Exhibit B) with a brief overview of strategic planning. IPIC receives funding from several sources, 68% from federal funding for the Workforce Investment Act, 15.8% from public competitive grants, and 16.2% from private sources. [Clerk's Note: Exhibit B is on file in the Council Office with the original minutes of this meeting.]

Ms. Joyce stated that there are several criteria IPIC must meet to receive each of these funds. The federal funds require that IPIC set up one-stop service centers called Work One. Marion County has six centers; two are full-service centers and four are express centers. The two full-service centers include all of IPIC's services as well as unemployment offices, while the four express locations do not. Within the year, there will be no distinction between the sites, because the State is moving unemployment applications to the Internet. Two of the express offices have been opened on the Ivy Tech campuses, in an effort to tie IPIC services with higher education.

Services IPIC provides at their centers include:

- resume assistance,
- interviewing workshops,
- job search computer banks, and
- job search assistance.

60,000 people come to the Work One Centers, but the funding allows for only 1,500 people to be enrolled in an intensive service and training program that includes:

- testing of skill levels,
- planning for employment and continuing training, and
- training dollars for about 25% of the 1,500 people.

Ms. Joyce said that part of the federal funding IPIC receives is earmarked for youth training. IPIC contracts with about ten community based organizations to provide services to youth in their neighborhoods and community centers. She added that IPIC's organizations work with schools; there are projects at Indianapolis Public Schools (IPS), Wayne Township, Pacer Academies, and Goodwill Charter Schools. These groups work with about 1,500 youth per year. IPIC often has roundtable discussions with employers and community leaders to decide what is necessary to make the workforce ready for employment.

Ms. Joyce said that the Workforce Investment Act (WIA) governs about 600 workforce areas in the country, 11 in Indiana, including Marion County. IPIC includes surrounding counties in their services, because many people work and live between these counties. There are about 123,000 people who work in Marion County and live in other counties. The federal government has set 17 performance standards for IPIC to meet in order to receive the money for the intensive services, including a requirement that people who have completed the program must be placed in an \$11 per hour job. Many high-risk people are not entered into the intensive training program, because of the strict requirements set by the federal government. Many of these people need more help and training before they can be placed into specific occupational training and are unlikely to start a job at \$11 per hour. But once a job is found, IPIC will continue to provide training to help move them into better, higher paying jobs.

Chair Nytes wanted clarification that 60,000 people utilize the Work One Centers, but the federal funding only provides for 1,500 people to enter the intensive training program. Ms. Joyce answered in the affirmative. Ms. Joyce stated that there has been a large reduction in the investment in the workforce at the federal level. In 1979, the federal investment was \$22 billion, and now it is \$4 – 5 billion. Chair Nytes asked if there was any significant state funding. Ms. Joyce answered in the negative.

Ms. Joyce stated that not only are there significant gaps in the adult workforce, but there is a growing problem for youth. About 18 months ago, a professor at Brandeis University completed a study for the U.S. Conference of Mayors of 16-24 year olds in the country's 60 largest cities, and he found that the country has the highest level of disconnected youth in history. A disconnected youth is someone who is not in school, not working, and not being a productive member of society. In Marion County, there are 16,000 disconnected youths in need of significant services. These youths are often lacking in housing, education, and involved parents. In addition, they often have undiagnosed learning disabilities, addictions, and mental illnesses. Although these youths need very intensive services to bring them back to productive life, they are not good candidates for workforce investment services because the federal standards cannot be met. Lilly Endowment has supplied funds that IPIC can distribute to other community organizations to work with this group, and they have been able to help 1,000 youth per year.

Councillor Conley wanted clarification that GED training is for people who have dropped out of school, not a standard for those who may be able to earn a diploma. Ms. Joyce answered in the affirmative and stated that 60% of the people in the program do not have a high school diploma. Lilly has programs for those who are still in school, but this particular program is targeted to those who have dropped out.

Councillor Abdullah stated that he understands that IPIC's initiative is governed by funding sources, but the programs are skipping the 13 – 14 year olds, who may, with intervention, be prevented from dropping out altogether. He added that in his experience, this age group is struggling with the shame of not performing in academics as well as their peers. Ms. Joyce stated that she agrees with the assessment and said that Dr. Eugene White, IPS Superintendent, told her that they have a significant problem with ninth grade students.

Chair Nytes thanked Ms. Joyce for allowing questions during the presentation.

Councillor Randolph asked how many ex-offenders utilize the program. Ms. Joyce stated that IPIC does not deliver any services directly. They raise the money, provide oversight and planning, and contract the services. There are dozens of organizations that do the work, and many of the clients are ex-offenders. Fathers and Families Resource Center is one of the best providers in terms of outcomes. She added that Fathers and Families would be presenting at the Crime Prevention meeting October 5, 2006. Councillor Randolph asked if any justice department money will be made available to help augment IPIC's programs. Ms. Joyce stated that they are not receiving that money at this time, but that she will go after any funding source available.

Ms. Joyce said that IPIC provides resume help and interview skills workshops during the job fairs they host. She stated that 20 educational institutions participated in the last job fair. In addition, IPIC also hosts several single employer job fairs, because companies hire for several different types of jobs.

Councillor Pfisterer stated that she has hosted a job fair for two years, and this year the Work One representatives were better than ever. They were friendlier and outgoing. Ms. Joyce stated that IPIC hired a new provider for the job fairs and is pleased to hear that they are doing well.

Ms. Joyce stated that IPIC did not want to place every client in \$8.50 per hour jobs, so they started a pilot project that included 50 individuals. These individuals were at-risk youth who were provided with wrap-around services and are in two-year degree programs at Ivy Tech. The first six graduated this May and are making between \$35,000 and \$45,000 per year. This program provided the students with tutoring, tuition, utility bills, car repairs, and anything that was needed to keep them moving along toward the degree. This program is expensive, but cost less than one year of incarceration.

Ms. Joyce provided a copy of the four labor studies that IPIC completed for anyone who wanted it.

Councillor Randolph stated that he read the studies after downloading them from the website and asked if they are still available online. Ms. Joyce stated that they could be found at [www.ipic.org](http://www.ipic.org), as well as information about all of the services that IPIC provides.

Ms. Joyce stated that IPIC serves on many boards in the community including:

- Crime prevention task force,
- Great Indy Neighborhoods,
- Connected by 25,
- Chamber of Commerce,
- Transit task force, and
- Blueprint to End Homelessness.

In the year ahead, the Work One Centers will improve by providing more labor market studies, projects to employ the homeless, engagement of youth into life science careers, continuation of the Youth Employment Services program, and working with at risk IPS seniors.

Councillor Abdullallah stated that this sounds like a daunting project and asked why jobs are continuing to relocate overseas, causing spiraling unemployment, empty buildings, and a decrease in tax dollars, if the growth is so high. Mr. Zehner stated that this is a macroeconomics question. Manufacturing is going the way of agriculture. One hundred years ago farming was the main occupation, but technology and innovation made it unnecessary for there to be many farmers and the rest found jobs elsewhere. The same thing is currently happening to manufacturing; technology and innovation is making it possible to create products with fewer employees. He added that in the early part of the century, manufacturing wasn't seen as the road to the middle class, but that changed and, as a community, it is necessary to find the next blue-collar job. Ms. Joyce said that there are many good wage jobs, but not everyone has the skills for them.

Ms. Joyce stated that the average wage for a manufacturing job is \$46,000 per year, but youth are not going into those jobs because they do not know they are available or are discouraged about those jobs. Young people see the same lay-off and plant closing headlines that everyone sees. She added that factories aren't the same as they used to be. Now they are clean, specialized, high-tech production plants.

Councillor Conley stated that schools are no longer teaching vocational skills and students do not know these jobs exist. Councillor Nytes stated that kids see all these images about jobs in the entertainment and sports industries. Perhaps it would be good for them to go on field trips to these high-tech production plants.

Councillor Pfisterer stated that Ms. Joyce has done a wonderful job articulating both the challenges Indianapolis has as a culture and a city, and the hope that solutions exist. Ms. Joyce stated that they would be bringing two former clients to the employment committee to talk about the services that worked and how their situation was changed.

Councillor Nytes asked if IPIC makes connections between schools and employers to help bridge the gap between the skills that are needed and the skills being taught. Ms. Joyce stated that the purpose of the studies was to have the facts to do a comprehensive outreach to the schools, students, and parents. IPIC has proposed that schools create externships for teachers, so that they can see first hand what employees are doing. IPIC has also suggested to the Indiana Manufacturers Association and the State that they participate in the Dream It, Do It campaign. The Dream It Do It campaign was created by the National Association of Manufacturers that begins to educate youth about the type of jobs that exist and what kind of working conditions exist in those jobs.

Councillor Randolph asked if he could have a list of IPIC's partners. Ms. Joyce answered in the affirmative. Councillor Randolph asked if they are working on solutions to the empty building problems around Marion County. Empty buildings are a drain on taxpayers; but more importantly, if companies utilized the buildings, they would provide jobs that are

accessible to people who use public transportation. Ms. Joyce stated that IPIC has not looked into that issue, but welcomes the suggestion and will look into it. Councillor Randolph asked if IPIC has a relationship with the Noble Center. Ms. Joyce answered in the negative.

Councillor Abduallah stated that it would be helpful if someone identified the jobs that will fill the gap between the old manufacturing jobs and the new high-tech manufacturing jobs.

Councillor Conley stated that he is pleased that people are recognizing the fantastic job Dr. White is doing at IPS, which is mainly going back to basics. Vocational skills in schools and competition within these areas are a good thing, because not every student can be on the basketball and football teams. It creates pride in one's interests and recognizes the importance of these skills.

Councillor Nytes thanked IPIC for their presentation and hard work.

Councillor Nytes stated that Mr. Garrard will be on the next agenda, October 18, 2006, and there has been an additional meeting scheduled for November 16, 2006.

There being no further business, and upon motion duly made, the meeting was adjourned at 6:22 p.m.

Respectfully Submitted,

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Jackie Nytes, Chair

JN/cc